



# Georgian Business Development News

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Business News*

- **British - Georgian Chamber of Commerce to be established in May**
- Opening ceremony of the British-Georgian Chamber of Commerce will be held in May 2006. The new organization will be focused on establishing close connections between British and Georgian business sectors. Cadogan Petroleum, PLC affiliated company (represented in Georgia as Anglo Georgian Petroleum is one of the supporters of the chamber as well as its sponsor and financier. Georgian Chamber of Commerce and Industry will serve as a representative office of the Chamber in Georgia.
- British-Georgian Chamber of Commerce, headed by Lord Cromwell, was officially registered in Britain. Chamber of Commerce plans to appoint former energy minister of Great Britain as an Honorary President-Mako Abashidze, secretary of the company informed Business Week.
- British-Georgian Chamber of Commerce is a Britain –registered company. Georgian Chamber of Commerce will function as the representative in Georgia. The basic goal of the Chamber is to attract and bring more investors to Georgia and to support export of Georgian Products to Britain.
- Various membership fees will be collected from Chamber members. However, joining the organization in Georgia will be much cheaper.
- The presentation planned in London in May will host British and Georgian Businessmen, governmental officials,
- president of various chambers and mass media. Business Week)
- **EBRD Purchases 10% Of TBC Leasing Of Georgia**
- The European Bank for Reconstruction and Development earmarked USD 3 m loan to TBC Leasing for making leases and acquired 10% of shares for GEL 222 000.
- The new investment will contribute to efficiency of the leasing company, as well as to newly emerging leasing market in Georgia, Jonathan Woollett, director of non-banking financial institutions at the EBRD said after ceremony for signature of the agreements. (Prime-News)
- **Georgia To Join Asian Development Bank**
- Georgia decided to join the Asian Development Bank, Aleksi Aleksishvili, Georgian Finance Minister says.
- According to him, Georgia has already sent an application to the financial organization.
- He admitted that affiliation to ADB will enable Georgia to attract new resources to lavish its projects and it will also contribute to development of relations between Georgia and ADB member-states. 63 states are the members of ADB. The USA, Japan, China, India, Australia, Indonesia and Canada are the largest shareholders of the bank, with 5% of shares. (Prime News)

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- **New Merger to Appear in Georgia**
- The Ministry of Economic Development has reported that three large companies, "International Gas Corporation", "International Oil Corporation" and "SakNavtobi" will soon merge into one larger corporation to form a stronger organization in the field of fuel industry.
- Deputy Minister Kakha Damenia said the merged company will make the work in this sphere much more effective and improve structure of its management.
- The procedure in this regard has already been launched and the merging of the three companies will be announced at the meeting of the shareholders on 20-25 March. (Rustavi2 Broadcast)
- **IFC Plans to Invest \$44M in Georgia in The Near Future**
- According to the office of Prime Minister Zurab Nogaideli, the information on IFC plans to invest in the near future \$44 million was delivered during the forum Invest in Georgia, which was held in New York, the US, on March 2. However, it has not been announced yet where the investment will go. Since 1995 (when Georgia became an IFC member) IFC has invested approximately \$137 million in projects in the financial, manufacturing, oil and gas, agribusiness, transportation, mining, and tourism sectors. The forum in New York was organized with the assistance of IFC.
- The Georgian delegation presented to forum participants the list of enterprises subject to privatization. According to the Prime Minister's office, an agreement was reached with the New York Stock Exchange to privatize Georgian state property through this exchange. Moreover, selling shares of Georgian companies at the New York Tock Exchange are also under consideration. As part of the forum, an agreement was also signed with the US Trade and Development Agency on disbursing funds to the construction of a 500-kW electricity transmission line in Georgia. (Sarke Information Agency)
- **Foreign Investment Share In Banking Sector Rises BY 17% in 2005**
- According to the National Bank (NB), the share of foreign investment in the total capital of banking sector has risen from 33% to 50% making up 111.6 million GEL. Last year was distinguished by the inflow of Kazakh (Turan Alem), Russian (Vneshtorgbank) and Armenian capital (Cascade Bank). The shareholders of the Georgian banks are German Commerzbank, ProCredit Bank and Bank Australia Creditanstalt. By January 1, 2006, among 19 commercial banks operating in Georgia, total assets of which made up 2.55 billion lari, 10 commercial banks had foreign investments in the capital. The share of this 10 banks in the total assets of the banking sector made up 76%. The foreigners own over 50% of capital of above-mentioned banks.

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The NB suggests the level will be increased in the future and may even reach the concentration like the one it has in central and Eastern Europe or 60-80%. International finance institutions have a 31% share in the capital. Among them are International Finance Corporation (IFC), a member of World Bank group, the European Bank of Reconstruction and Development (EBRD), the German construction and development bank (KfW), the German Investment and Development Company (DEG), Netherlands Development and Finance Company (FMO). (Sarke Information Agency)

- **Turkey To Use Batumi Airport As Interior One**
- Turkish party will use the Batumi Airport in Georgia as the interior one.
- The final decision on the issues was made at the meeting of Ahmet Necdet Sezer, President of Turkey and Mikheil Saakashvili, Georgian President in Tbilisi on Tuesday.
- Thanks to the fact that the Turkish party considers the Batumi Airport as the interior one, fees for Batumi-Turkish air transportation will be as low as to equal fees for transportation within Turkey, Zurab Noghaidei, Georgian Prime Minister told journalists.
- Besides, Turkish TAVURBAN is reconstructing the airport. (Prime-News)

- **EBRD To Participate In Rehabilitation Of Russia-Georgia-Armenia Gas Pipeline**
- European Bank for Reconstruction and Development (EBRD) is satisfied with economic reforms implemented in Georgia and in 2006 intends to invest about EUR 90 million in Georgian economy.
- Nikolay Hadjiski, permanent representative of the EBRD in Georgia, stated about that noting that amount of the funding could be increased, Reuter informs.
- According to the EBRD representative, improvement of energy supply in the regions of Georgia will allow the Bank to implement more projects there.
- Besides, the EBRD intends to participate in rehabilitation of the gas pipeline, which is used for import of gas from the Russian Federation to Georgia and Armenia.
- EBRD plans to expand its activity in banking sector of Georgia by means of opening credit lines and participation in banks' capital. (prime news)

Mgaloblishvili, Kipiani, Dzidziguri (MKD) law firm was founded in November 1996. It operates as a general partnership and is recognized as well-established, respected leading law firm in Georgia with major national, regional and international clients.



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